

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

INDIAN HOUSING BLOCK GRANTS

PROGRAM HIGHLIGHTS

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)				
<u>Budget Authority (Use) :</u>				
Appropriations	\$620,000	\$650,000	\$648,570	-\$1,430
Rescission	-\$1,430	...	+\$1,430
Carryover	<u>\$180,170</u>	<u>\$174,731</u>	...	<u>-\$174,731</u>
Subtotal	\$800,170	\$823,301	\$648,570	-\$174,731
<u>Title VI Subsidy</u>				
Credit Subsidy	[\$6,000]	[\$6,000]	[\$5,987]	[-\$13]
Rescission	[...]	[-\$13]	[...]	[\$13]
Loan Guarantee Limitation	<u>\$54,600</u>	<u>\$54,600</u>	<u>\$52,726</u>	<u>-\$1,874</u>
Subtotal	\$54,600	\$54,600	\$52,726	-\$1,874
<u>Title VI Adm. Expenses</u>				
Administrative Expenses	[\$200]	[\$150]	[\$150]	[...]
<u>Outlays</u>				
Outlays (net)	\$643,479	\$706,689	\$669,269	-\$37,420

SUMMARY OF BUDGET ESTIMATES

The Budget proposes an appropriation of \$649 million for the Indian Housing Block Grants (IHBG) program in fiscal year 2002. This program provides a needs-based formula grant for housing and housing-related assistance either directly to eligible Indian tribes or through their tribally designated housing entities (TDHEs). The request includes up to \$5 million to support related training and technical assistance activities with up to \$300,000 for travel support.

Also included in this request is \$6 million in credit subsidy for the Title VI Indian Federal Guarantees program. For administrative expenses to carry out this guaranteed loan program, \$150,000 of the credit subsidy amount will be transferred to and merged with the Department's appropriation for Salaries and Expenses. The \$150,000 includes funds for travel related to marketing the program, on-site monitoring, and other training.

EXPLANATION OF INCREASES AND DECREASES

Outlays are expected to decrease by \$37 million as a result of slower spendout of prior year balances.

Budget authority, credit subsidy, and loan guarantee limitation decrease is from fiscal year 2001 Governmentwide rescission of an amount equal to 0.22 percent of the discretionary budget authority.

PROGRAM DESCRIPTION AND ACTIVITY

Indian Housing Block Grants

In 1996, to recognize the unique nature and needs of American Indian and Alaska Native areas, the Congress enacted Native American Housing Assistance and Self-Determination Act (NAHASDA, P.L. 104-330) to better assist Native American people and their communities. The IHBG program provides the funds that are needed to allow tribal housing organizations both to maintain existing units and to begin development of new units to meet their critical housing needs. The NAHASDA stipulates that each eligible Indian tribe or its TDHE receive annually a single block grant to meet the housing needs within their community. The tribe or TDHE must submit a 1-year and 5-year Indian Housing Plan (IHP), consisting of a mission statement, goals and objectives, needs statement, statement of financial and affordable housing resources, and proposed activities designed to meet the housing needs identified in the Plan.

The Department's Office of Native American Programs (ONAP) staff monitors the tribe or TDHE to ensure compliance with the objectives of the IHP. To receive the Department's approval of the IHP, grantees must indicate that their first priority is the management and maintenance of existing dwelling units developed with HUD funds. Once approved, the tribe is eligible to receive funds through the annual formula allocation.

The IHBG allows grant recipients to develop and support affordable rental and homeownership housing and provide housing services through the following eligible activities:

Development

Grant funds may be used to support acquisition, new construction, reconstruction, and the moderate or substantial rehabilitation of affordable housing, and may include real property acquisition, site improvement, development of utilities and utility services, conversion of a project to homeownership, demolition, financing, administration and planning, and other related activities.

Indian Housing Assistance

Indian housing assistance provides for modernization and operating assistance for housing previously developed or operated under a contract between the Department and an Indian Housing Authority, now the tribe or TDHE.

Housing Services

Funds may be used to provide housing counseling for rental or homeownership assistance, establishment and support of resident management organizations, energy auditing, supportive and self-sufficiency services, and other related services assisting owners, residents, contractors and other entities, participating or seeking to participate in eligible housing activities.

Housing Management Services

Grant funds may be used to provide management services for affordable housing that may include preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

Crime Prevention and Safety Activities

Funding may be provided for safety, security, and law enforcement measures with activities appropriate to protect residents of affordable housing from crime.

Model Activities

The Department may approve housing activities under model programs that are designed to develop and support affordable housing. This is to comply with the mandate that new housing opportunities be developed, utilizing a wide variety of creative approaches, and among other things, establishing partnerships, leveraging other public and private funds. While this is ensuring long-term viability, implementing

Indian Housing Block Grants

ideas that supplement limited Federal grant funds with other sources of capital, loans, buy-downs, and other financing mechanisms.

Law Enforcement

Funds can be used to provide housing for law enforcement officers on Indian reservations or other Indian areas. The presence of law enforcement officers will reduce or eliminate crime, especially drug-related crime, in and around tribal housing developments.

PROGRAM SET-ASIDES

Title VI Federal Guarantees for Financing for Tribal Housing Activities. The Budget includes a set-aside of \$6 million for the continuation of the Title VI Indian Federal Guarantees program. This program is authorized by section 601 of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), Public Law 104-330. The program provides loan guarantees for Indian Housing Block Grant recipients (Indian tribes and Tribally Designated Housing Entities) who need additional funds to engage in NAHASDA-eligible affordable housing activities, but are unable to borrow from other private financial sources without the Federal guarantee. The program provides a mechanism for grant recipients to leverage funds by pledging future block grants, along with additional security as required, to collateralize notes and other obligations.

Information Technology Systems. There is a set-aside of \$3 million to be used for developing and maintaining information technology systems related to Native American program activities.

Training and Technical Assistance. Up to \$5 million of the total IHBG appropriation will be set aside to support the inspection of Indian housing units, contract expertise, and training and technical assistance to engage in the management and oversight of Indian housing or tenant-based assistance. These activities include, but are not limited to, training and technical assistance for tribal and TDHE staff, residents and ONAP staff, resident surveys, and data collection and analysis. The training and technical assistance includes up to \$300,000 for related travel.

Inspection of Physical Inventory. With the enactment of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), affordable housing funded through the United States Housing Act of 1937 was no longer subject to the requirements of the 1937 Act. NAHASDA requires that the owners of housing developed with 1937 Act funds regularly inspect such housing and provide for the housing units' management and operation costs during their useful life. As of the beginning of fiscal year 2001, 254 housing owners (tribal governments or their designees) reported current assisted stock of 72,540 housing units representing 3,170 separate projects. Additionally, there are 4,421 housing units in the development stage.

One of the critical missions of the Department is to assure housing assisted with HUD funds is kept in decent and safe condition and that they will be maintained for a reasonably expected period of time. Several years ago, the Department established the Real Estate Assessment Center (REAC) whose primary function is to assess the effectiveness of management programs of housing providers, public housing agencies (PHA), and Indian housing entities. During the initial set-up period, REAC established a physical inspection program for housing owners and PHAs. This program will identify problems in the physical condition of housing units assisted with HUD funds. It provides a warning to both the housing owners and the Department so actions may be initiated to improve housing conditions and maintain them adequately.

Because of the relative newness of NAHASDA programs and REAC, Indian housing programs have not yet been incorporated into the physical inspection process. During fiscal year 2002, it is both desirable and necessary that HUD begin assessing the condition of housing stock assisted with HUD funds.

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED (\$ AND FTE) AND RESULTS

Indian Housing Block Grants

The Indian Housing Block Grants program and the Title VI Indian Federal Guarantees programs are essential to achieve HUD's Strategic Goal 1: Increase the availability of decent, safe and affordable housing in Native American communities, and specifically Strategic Objective 1.1-to increase homeownership, and objective 1.2-to make affordable rental housing available to low-income Native American households on tribal trust and allotted trust lands and on fee simple lands in Indian and Alaskan Native areas, and to provide eligible Indian tribes and tribally designated housing entities the opportunity to provide additional housing to tribal members.

SELECTED PERFORMANCE MEASURES

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002
Strategic Goal 1: Increase the availability of decent, safe and affordable housing in American communities.			
Discretionary BA (Dollars in Thousands)	472,000	486,285	486,285
FTE	116	115	115
Strategic Objective 1.1: Homeownership is increased.			
Strategic Objective 1.2: Affordable rental housing is available for low-income households.			
Output Indicator 1.2.d: The number of households receiving housing assistance with CDBG, HOME, HOPWA and NAHASDA increases.	20,007 estimate	20,669	21,289
Strategic Goal 4: Improve community quality of life and economic vitality.			
Discretionary BA (Dollars in Thousands)	148,000	162,285	162,285
FTE	37	39	39